Closure of SSI Units

885. PROF. P.J. KURIEN: Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

(a) whether number of SSI units have become sick and closed because of the competition from multinational and other major industries;

(b) if so, the number of such units closed during the last three years;

(c) whether Government has any action plan to strengthen the SSI sector; and

(d) if so, the details thereof?

THE MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI MAHAVIR PRASAD): (a) and (b) The Ministry of Micro, Small and Medium Enterprises (MSMEs) has no information on the number of micro and small enterprises (MSE) (erstwhile SSI units) which have became sick and closed because of competition from multinational and other major industries. However, the Reserve Bank of India (RBI) compiles data on the sick MSEs who have availed loans from scheduled commercial banks. Accordingly to RBI, the number of sick MSEs during 2004-05, 2005-06 and 2006-07 were 1,38,041, 1,26,824 and 1,14,132 respectively.

(c) and (d) Promotion and development of MSMEs is primarily the responsibility of State/ Union Territory (UT) Governments. To assist the States/UTs and supplement their efforts in this regard, the Central Government implements several schemes/programmes for promotion and development of MSEs. These, *inter alia*, include, (i) facilitating availability of credit mainly through public sector banks/institutions, (ii) assistance for (a) technology upgradation, (b) marketing, (c) integrated infrastructural development, (d) comprehensive need-based development of clusters, and (iii) entrepreneurship development.

Further, the Government has enacted the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 to facilitate the promotion and development of micro, small and medium enterprises and enhancement of their competitiveness. The Act has come into effect from 2nd October, 2006.

Revival of leaf-cup/plate industry

886. SHRI B.J. PANDA:
MS. PRAMILA BOHIDAR:

Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

(a) whether it is proposed to revive the traditional leaf-cup/plate making as a self-employment option in a big way to generate additional employment opportunities in the country especially in the tribal dominated regions, to improve their economy;

(b) if so, the details thereof; and

(c) what is the action plan of the Centre to help the Orissa Government both physically and financially to develop this sector for the tribal community of this region?

THE MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI MAHAVIR PRASAD): (a) and (b) The Government (in the Ministry of Micro, Small and Medium Enterprises) has been implementing *inter alia* the Rural Employment Generation Programme

(REGP) through the Khadi and Village Industries Commission (KVIC) for assisting the entrepreneurs in establishing village industry (VI) units, including the traditional leaf-cup/ plate making units, in rural areas and small towns with population upto 20,000 inlcuding those in the tribal dominated regions of the country, by availing of margin money assistance from KVIC and loans from public sector scheduled commercial banks, selected regional rural banks, cooperative banks, etc., for projects with a maximum cost of Rs. 25 lakh. Leaf-cup/ platemaking units are promoted under the Forest based industry (FBI) Group' of the village industries under the REGP. During 2006-07, margin money amounting to Rs. 1847.73 lakh was provided for various VI units under the FBI Group assisted during the year, generating 28,000 additional employment opportunities in the country. Of this, Orissa accounted for Rs. 52.77 lakh of margin money assistance with corresponding estimated additional employment of 1000 persons.

(c) REGP is a Central sector scheme and the approved grants for the scheme are released to the KVIC which, in turn, releases the funds (towards margin money assistance) to the banks against the projects sanctioned in each State/Union Territory (UT). During 2007-08, it has been targeted to assist the setting up of 1849 VI units under the FBI Group wth a margin money assistance of Rs. 2113. 13 lakh throughout the country, including 54 projects in Orissa with a margin money assistance of Rs. 61.90 lakh. 29 projects are reported to have been established in Orissa during 2007-08 (upto February, 2008), by utilizing Rs. 21.32 lakh of margin money assistance.

Regulating the Act of 1961

887. SHRIMATI SUPRIYA SULE: Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

(a) whether moving to liberalize small scale industries, Government is all set to remove a restrictive clause in 1951 law that prevented non-SSI players from setting up small units;

(b) if so, whether the number of items reserved for small-scale industries would remain the same at 114 but the restrictive clause would go;

(c) if so, by what time Government is considering to regulate the Act of 1961; and

(d) to what extent it would be helpful for small scale industries?

THE MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI MAHAVIR PRASAD): (a) The Department of Industrial Policy & Promotion, Ministry of Commerce & Industry, has laid the draft order regarding resciding of Notification No. 857(E) dated 10 December, 1997 and subsequent amendments made thereto on the Table of the two Houses of the Parliament.

(b) The number of products reserved for exclusive manufacture by Micro and Small Enterprises is presently 35.

(c) and (d) The rescinding of the Notification No. 857(E) and subsequent amendments made thereto would enable the MSMEs to access alternative sources to meet their credit/equity requirements for accessing modern technology and enhancing their competitiveness.